



## THE CITY OF SAN DIEGO

DATE: September 21, 2011

TO: Honorable Members of the Audit Committee

FROM: Eduardo Luna, City Auditor

SUBJECT: **City Auditor Activity Report – August 2011**

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This report provides information on the activities and accomplishments of the Office of the City Auditor for the month of August 2011. It includes the audit reports issued and other accomplishments during this period, the status of current audit projects and activities, and a summary of planned audits that we have not yet started.

### **Audit Reports and Accomplishments:**

- August 30, 2011 – Issued a supplemental memo regarding the Animal Services Agreement Audit. The memo can be found on our website at:  
[http://www.sandiego.gov/auditor/reports/fy12\\_pdf/memo/splmnt\\_memo\\_anml\\_srvcs\\_audit.pdf](http://www.sandiego.gov/auditor/reports/fy12_pdf/memo/splmnt_memo_anml_srvcs_audit.pdf)
- August 30, 2011 – Issued a memo regarding the Capital Improvement Program Audit. The memo can be found on our website at:  
[http://www.sandiego.gov/auditor/reports/fy12\\_pdf/memo/splmnt\\_memol\\_cip\\_audit.pdf](http://www.sandiego.gov/auditor/reports/fy12_pdf/memo/splmnt_memol_cip_audit.pdf)

**Current Audits and Activities:**

<b>Audit Activity</b>	<b>Status</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>City Retirement System Audit</b>	The objective of this audit is to evaluate the efficiency and effectiveness of the San Diego City Employee Retirement System's administration. A draft audit report was sent to management for review on July 29, 2011 and a written response is due on September 23, 2011.	September 2011	1,660	1,700
<b>Public Utilities – Water Department and Metropolitan Wastewater Audit</b>	The City Auditor entered into a Service Level Agreement with Public Utilities and the Independent Rates Oversight Committee (IROC) to conduct audits of the Public Utilities Department. We are conducting an audit of the Public Utilities Capital Improvement Program. A draft audit report was sent to management for review on July 29, 2011 and a written response is due September 23, 2011.	September 2011	3,162	2,600
<b>Police Department – Fiscal Services (License and Permit Fees)</b>	The objective of this audit is to determine if the Police Department is efficiently and effectively collecting license and permit fees owed to the City with adequate internal controls in place. A draft audit report was sent to management for review on August 5, 2011, and a written response is due October 14, 2011.	October 2011	1,390	1,300

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Annual Mission Bay Fund Audit FY10</b>	The Annual Mission Bay Fund Audit is required by the City Charter, Article V, Section 55.2 (e). The objective of this audit is to verify that the prior fiscal year collection, allocation, and use of Mission Bay Funds are in compliance with City Charter requirements. Audit fieldwork is in progress.	October 2011	138	120
<b>Development Services Department Audit</b>	The objective of this audit is to conduct a performance audit of DSD systems. Audit fieldwork is in progress.	November 2011	1,316	1,600
<b>Public Safety – Police, Fire and Life Guard Audits</b>	We plan to conduct two audits. The objectives of these audits are: 1) to determine the efficiency and effectiveness of the Police, Fire and Lifeguard 9-1-1 emergency call and dispatch system; and 2) to determine the efficiency and effectiveness of the Police Department’s Patrol Operations. Audit fieldwork is in progress for the call and dispatch center audit.	TBD	879	4,800
<b>Purchasing and Contracting Department Audits</b>	We plan to conduct two audits. The objectives of these audits are: 1) to determine the efficiency and effectiveness of the City’s contract process; and 2) to determine the efficiency and effectiveness of the use and controls for procurement cards. Audit preliminary survey is in progress for the contract process audit.	TBD	590	3,400

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Fraud, Waste and Abuse Hotline</b>	City Auditor staff reviews all City Hotline calls received and performs investigations for accusations of material fraud, waste or abuse. Hotline reports are issued for fraud related allegations that are substantiated.	On-going	224  (Fiscal Year 2012 Hours)	1,535  (Fiscal Year 2012 Hours)
<b>Follow-up on Audit Report Recommendations</b>	The City Auditor tracks all audit recommendations made since fiscal year 2008. Comptroller staff contacts those responsible for implementing our recommendations and provides regular status data to the City Auditor on all implemented recommendations. We verify if recommendations have actually been implemented and report the implementation status on a semi-annual follow-up report. The last semi-annual follow-up report was issued on September 6, 2011. We plan to issue our next semi-annual follow-up report in February 2012.	On-going	201  (Fiscal Year 2012 Hours)	775  (Fiscal Year 2012 Hours)

**Planned FY12 Audits Not Yet Started (as of August 31, 2011):**

<b>Planned Audit</b>	<b>Estimated Audit Hours</b>
<b>Real Estate Assets Department Audit</b>	1,600
<b>City Planning and Community Investments – Economic Development</b>	3,400
<b>City Comptroller / Personnel Department Audits</b>	2,300
<b>Transportation and Storm Water – Pollution Prevention Audit</b>	1,400
<b>General Services – Facilities Audit</b>	1,400
<b>Annual Mission Bay Fund Audit FY11</b>	240
<b>Annual Central Stores Inventory Audit FY12</b>	120

Respectfully Submitted,



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Eduardo Luna  
City Auditor

cc: Honorable Mayor Jerry Sanders  
Honorable City Council Members  
Jay M. Goldstone, Chief Operating Officer  
Wally Hill, Assistant COO  
Mary Lewis, Chief Financial Officer  
Ken Whitfield, City Comptroller  
Jan Goldsmith, City Attorney  
Andrea Tevlin, IBA